

**MINUTES OF THE
ADMINISTRATIVE RULES REVIEW COMMITTEE**

Tuesday, September 12, 2000 - 9:00 a.m. - Room 305 State Capitol

Members Present:

Sen. Howard A. Stephenson,
Senate Chair
Sen. Mike Dmitrich
Sen. L. Alma "Al" Mansell
Sen. Eddie "Ed" P. Mayne
Sen. Howard C. Nielson
Rep. Judy A. Buffmire
Rep. James R. Gowans
Rep. Martin R. Stephens

Members Excused:

Rep. David Ure, House Chair

Members Absent:

Rep. John E. Swallow

Staff Present:

Mr. Arthur L. Hunsaker,
Research Analyst
Ms. Esther D. Chelsea-McCarty,
Associate General Counsel
Ms. Audrey Wendel,
Legislative Secretary

Note: A list of others present and copies of handouts distributed in the meeting are on file in the Office of Legislative Research and General Counsel.

1. Call to Order and Approval of August 22, 2000 Minutes - Chair Stephenson called the meeting to order at 9:15 a.m.

MOTION: Rep. Gowans moved to approve the minutes of the August 22, 2000 meeting. The motion passed unanimously with Sens. Dmitrich, Mansell, and Nielson absent for the vote.

2. R477-8-12 Fitness for Duty (Existing Rule - Sen. Mayne) - Sen. Mayne asked for background information on the rule. Mr. Conroy Whipple, Legislative and Planning Coordinator, Department of Human Resource Management, said that the fitness for duty rule was implemented in July 1996, but the medical examinations had been administered before that time. He added that the rule was implemented to place parameters around the use of fitness for duty evaluations. Mr. Bob Thompson, Legal Counsel, Department of Human Resource Management said that if an employee feels that the rule is being inappropriately applied to them, they may grieve to the Career Service Review Board. Sen. Mayne asked if an employee may turn directly to the Career Service Review Board with their initial complaint. Mr. Whipple said that there is a seven step process that is generally followed, and briefly described that process.

3. R277-470 Distribution of Funds for Charter Schools (Existing Rule - Sen. Stephenson) - Sen. Stephenson explained his concerns with the mechanism established in rule that governs the flow of funds from the state to charter schools.

Mr. Dave Steele, Coordinator, Program Development and Support Services; and Ms. Carol Lear, Legal Counsel, Utah State Office of Education, discussed the issue. Mr. Steele explained the development of the program, how state funds reach charter schools, and why the current funding process was established. He has felt that there were some changes that could be

made that would make the funding more efficient. The Charter School Advisory Committee will soon receive a letter proposing that funds flow directly to the charter schools.

Mr. Mike Benefield, Chief Administrative Officer, Sundance Mountain School, said that their relationship with Alpine School District has been good, but he said that the change would be more efficient.

Mr. Kevin Smith, Tuacahn High School, explained that his school is in debt \$120,000 due to a mixup in communication between the federal government and the state office regarding the timing of disbursements. He said if the money went directly to charter schools it would save \$250 in interest.

Ms. Roberta Hardy, Pinnacle Canyon Academy Charter School, supported the proposed changes. She requested that the entire funding mechanism be examined to determine whether further changes should be made.

Rep. Stephens asked about the enrollment process. Ms. Hardy said that Pinnacle Canyon Academy is open enrollment, but since they limit enrollment, they had to have a lottery to determine who would be admitted. Each class in each grade, except grades 5 and 8, have at least 35 students on a waiting list to get into the class.

Rep. Buffmire suggested that keeping the linkage of the school district with the charter schools may be beneficial to the charter school if they need programmatic help. Mr. Smith said that the charter schools have the responsibility to act like a district because of many of their responsibilities.

Rep. Stephens said that no one knew what to expect with charter schools, and that is why more restrictions were placed on them. The more effective charter schools become, the more restrictions will probably be eliminated.

Rep. Gowans observed that the local boards of education run the local school districts. He asked if more local boards of education will be created if more school districts are created. He said that the state board gets money from the legislature that has strings attached and talking about expanding school districts without factoring in the local school districts may be unconstitutional.

Sen. Nielson asked why the State Office of Education opposed legislation to increase the number of charter schools. Mr. Steele said that the changes were suggested only six months after charter schools had evolved. He added that funding issues had not yet been settled.

Sen. Nielson asked why it wouldn't be possible for the state office to request funds to cover charter school transportation funding. Mr. Steele said transportation and cost issues are

high because some charter schools get students from up to five districts and two counties and it becomes difficult to provide funds to manage those transportation barriers.

Sen. Mayne said the charter schools are wise to set a standard of class size because it is the most important factor in the state effort to compete in the global economy. He said he hopes the legislature will make the same effort.

Sen. Stephenson asked about the timing of the rule changes. Mr. Steele said the recommendation will be made to the advisory board next week, and if accepted, it will take three readings before the state board. If it is accepted, the change could occur by early 2001.

Ms. Kathy Cochrane, Principal, Uintah River High School, expressed support that the funds go directly to charter schools.

Ms. Teresa Thompson, CBA Learning Center, discussed the challenges and opportunities faced by her school.

Mr. James Hansen, Alpine School District, said the funding coming through the school does make for more work, and it does cause confusion due to the counting of enrollment for the district. Local funding is also a concern because they were receiving tax funding for the students. If a child enrolls in private school or is home schooled, the district gets the funds anyway. But if they choose to go to a charter school, the district no longer gets that money.

Sen. Stephenson thanked all those who attended and contributed to the discussion.

4. Committee Business - Future committee meetings scheduled for September 26, October 10, and October 24, 2000.

5. Adjourn

MOTION: Rep. Buffmore moved to adjourn the meeting at 11:15 a.m. The motion passed unanimously.

